

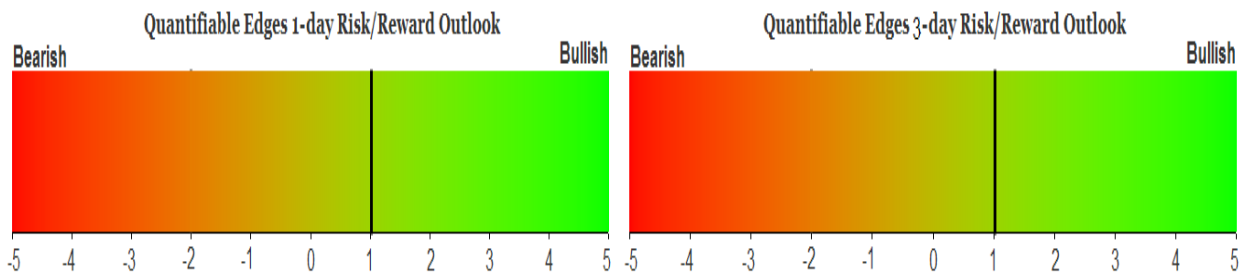
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

April 9, 2024

Volume 17 Issue 68

## Market Overview



## Signals Overview

Aggregator	CBI Reading
Long	1

## Tonight's Research Points

- The SPY bounce looks like it should have further to go.

## *Short-term Outlook*

### *The Bottom Line*

The Aggregator is bullish. Evidence suggests there should be more to this bounce, but SPX is nearing overbought. The bullish edge exists but is fading.

**Summary of Current Active Studies (see Letters from listed dates for details)**

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
<b>Active - Short Term</b>						
April 9, 2024	SPY up 2 < 3 ago.	1-2 days	Bullish			
April 8, 2024	10-low yest. Unfill up < 10ma > 200 today	1-5 days	Bullish	1.60%	-1.60%	-2.90%
April 5, 2024	Outside Day Cls Btm 10% 10-day rng > 200	1-6 days	Bullish			
April 5, 2024	Up < 50-high Yest. 3HiLoCls > 200	1-4 days	Bullish			
April 5, 2024	1st 10-low close in 30+ days	1-8 days	Bullish			
<b>Active - Long Term</b>						
March 4, 2024	Jan & Feb both close positive	1-10 months	Bullish			
February 12, 2024	SPX 50-day %b > 100	1-50 days	Bullish	4.90%	-4.40%	-9.00%
February 2, 2024	SPX up > 15% last 3 months	1-6 months	Bullish			
December 27, 2023	%SPX > 50 moves frm 15% > 90% in 50 dys	1-6 months	Bullish			
November 7, 2023	Whaley ADT5 > 73.66	1-12 months	Bullish	25.20%	-8.10%	
November 6, 2023	Zweig Thrust	1-12 months	Bullish	29.00%	-3.20%	-7.00%
November 6, 2023	Best 6 Months	6 months	Bullish			
May 22, 2023	SPX 50-day high < 1/2 SPX stocks > 50ma	1-12 months	Neutral			
February 2, 2023	SPX Golden Cross	int term	Bullish			
March 14, 2022	Fed Hawkish / QE done	int term	Bearish			

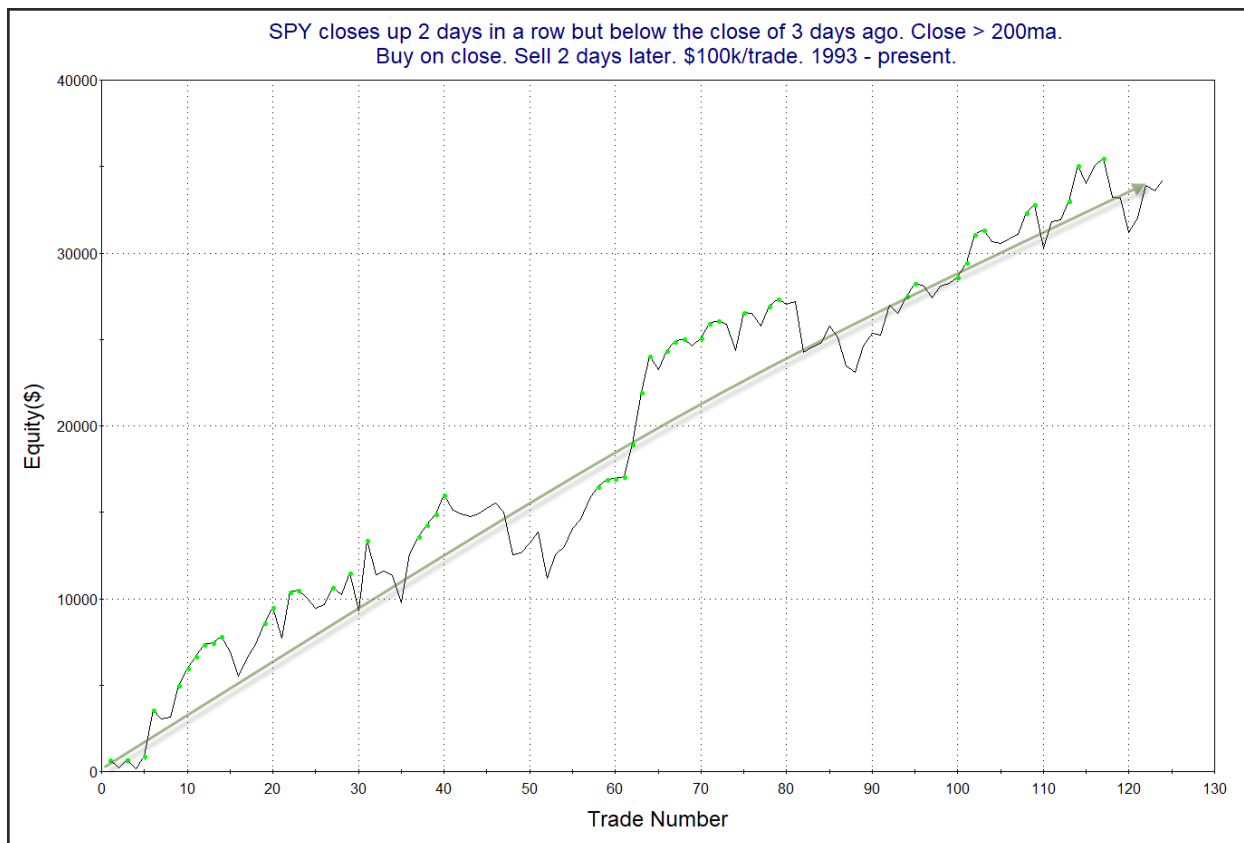
**The Evidence**

Monday was mixed and mild. SPX closed down 0.04%, the NASDAQ gained 0.03%, and the Russell 2000 rose 0.5%. Breadth was positive with the NYSE Up Issues % coming in at 59.4% and the Up Volume % at 59.0%. NYSE total volume declined some for the 4<sup>th</sup> day in a row.

While SPX closed down slightly, SPY closed up slightly. The small up close for SPY meant the last 2 days of gains have failed to make up for the losses of the 1-day drop on Thursday. This triggered the below study from the 4/5/22 letter.

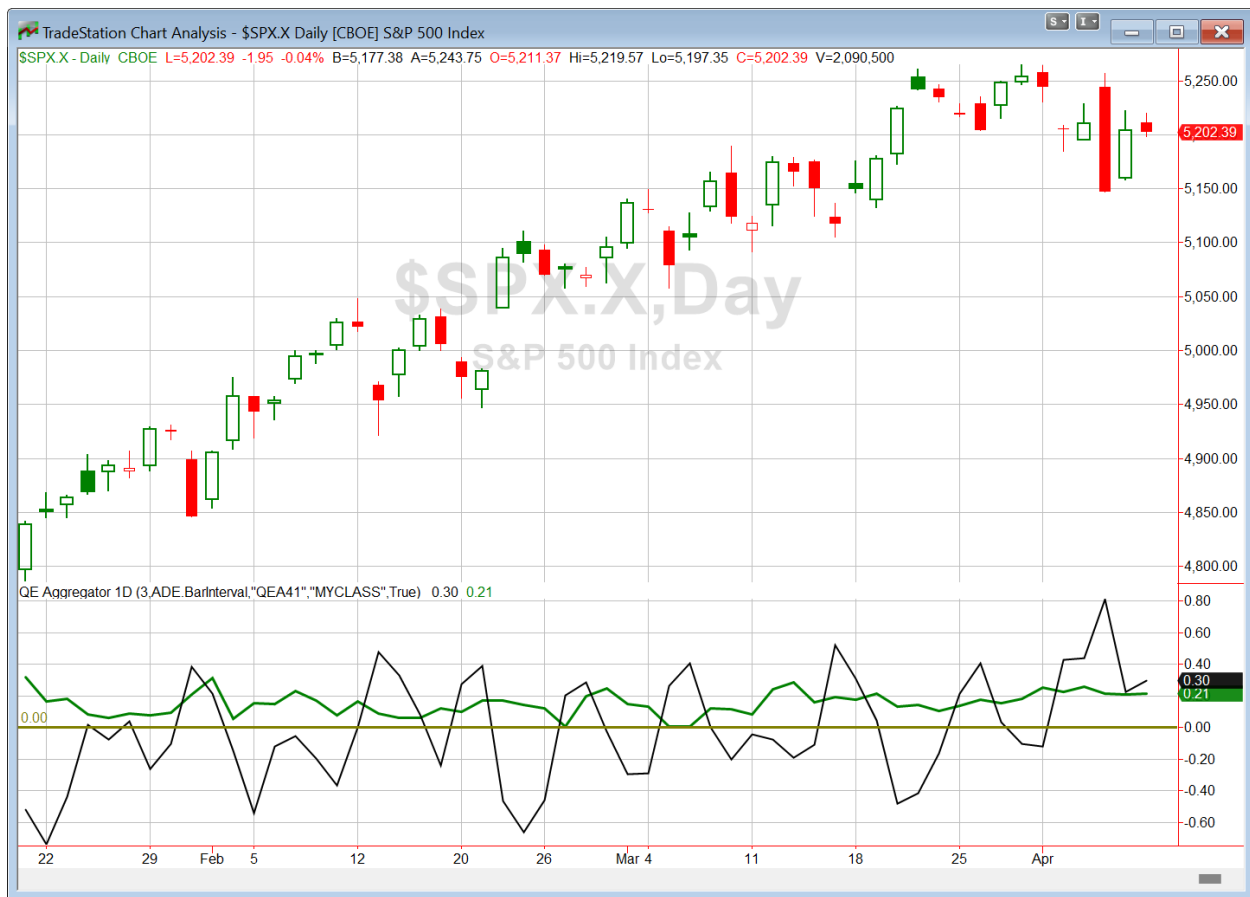
SPY closes up 2 days in a row but below the close of 3 days ago. Close > 200ma. Buy on close. Sell X days later. \$100k/trade. 1993 - present.												
X Days	All: Net Profit	All: Total Trades	All: Winning Trades	All: Losing Trades	All: % Profitable	All: Max Winning Trade	All: Max Losing Trade	All: Avg Winning Trade	All: Avg Losing Trade	All: Win/Loss Ratio	All: ProfitFactor	All: Avg Trade
5	26,018.90	121	71	49	58.68	4,717.70	-6,549.84	1,457.88	-1,581.43	0.92	1.34	215.03
4	37,023.25	123	82	41	66.67	4,698.60	-4,384.89	1,239.92	-1,576.83	0.79	1.57	301.00
3	29,937.70	124	78	46	62.90	3,000.00	-4,092.24	1,120.86	-1,249.76	0.90	1.52	241.43
2	34,210.00	124	82	42	66.13	4,088.25	-2,932.22	906.90	-956.09	0.95	1.85	275.89
1	18,006.38	124	72	50	58.06	3,732.75	-1,777.90	670.49	-605.38	1.11	1.59	145.21

This suggests a 2-day upside edge. Let's check the curve for confirmation.



This is an appealing curve. So it appears this bounce has a pretty good chance of continuing higher over the next day or two.

I have updated [the Aggregator chart](#) below.



With tonight's evidence considered, the green Aggregator Line held above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line remained above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is oversold. This is considered a bullish configuration. Bullish configurations are visible on the chart whenever both lines close above zero. Therefore, the Aggregator formation stayed long at the close.

Based on the current list of active studies, expectations are set to remain positive on Tuesday. This is unlikely to change. Meanwhile, the Differential Pivot will be *inverted* at 5182.96 on Tuesday. That is 0.4% *below* Monday's close. An inverted pivot means that the Differential Line will cross through zero if SPX closes flat. In this case, SPX will need to close down at least 0.4% in order to remain oversold. Anything other than that and it will flip to overbought versus recent expectations as of Tuesday's close.

So the Aggregator is again bullish, but that won't last unless SPX closes down a fair amount on Tuesday. I generally view inverted pivots as opportune times to take profits. And that is what I am thinking for tomorrow if SPY rallies a bit. I will flatten out my index position and wait for the next compelling setup to emerge.

*Intermediate-term Outlook (2 weeks – 2 months) – updated 4/8 – **bullish***

## **Catapult and Capitulative Breadth Statistics**

[Catapult & CBI Presentation Link](#)

### ***Open Catapult Triggers***

NVDA – 1/3 @ \$859.05 (buy @ limit) – *not filled, cancel for now*

### ***Broad Market Large Cap CBI – 1(NVDA)***

## **Additional New Trade Ideas**

*A full listing of system triggers can be found at the [numbered systems page](#) each night. I will cherry pick some of my favorite setups from the S&P 100 and ETF lists along with occasional other trade ideas to track below.*

**None.**

## **Current Open Trade Ideas**

<b>Symbol</b>	<b>Entry Date</b>	<b>Entry Price</b>	<b>Current Price</b>	<b>% Gain/Loss</b>	<b>Notes</b>
SPY(1/4)	4/3/2024	\$517.72	\$518.72	0.19%	<i>sell @ \$519.40 LIMIT</i>

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